



**NOVEMBER 2003 AGENDA**

<b>SUBJECT</b>	<b>X</b>	<b>Action</b>
	<b>X</b>	<b>Information</b>
	<input type="checkbox"/>	<b>Public Hearing</b>
Standardized Testing and Reporting (STAR) Program: Including, but not limited to release of 10 percent of Contract Costs to CTB/McGraw-Hill for 2003 Spanish Assessment of Basic Education (SABE/2) STAR Contract		

**Recommendation:**

It is recommended that the State Board of Education (SBE) approve the release of the 10 percent withheld from the 2003 CTB/McGraw-Hill SABE/2 STAR contract.

**Summary of Previous State Board of Education Discussion and Action**

SBE approved the 2003 SABE/2 STAR contract with CTB/McGraw-Hill at its September 2002 meeting.

**Summary of Key Issue(s)**

- *California Education Code*, section 60643(e)(4) requires that, "Not less than 10 percent of the amount budgeted for each separate and distinct component task provided for in each contract shall be withheld pending final completion of all component tasks by that publisher," for STAR Program contracts.
- California Department of Education (CDE) authorized payment for 90 percent of the costs on each invoice submitted by CTB for work completed on the 2003 contract and withheld 10 percent as required by the *California Education Code*. The 10 percent is withheld until all contract work is completed. If a contract is not completed satisfactorily, CDE may recommend that SBE penalize the contractor by withholding all or part of the 10 percent from the contractor's final payment.
- CDE monitored the CTB's compliance with and completion of the terms specified within the *California Education Code* and the 2003 contract.
- CTB/McGraw-Hill completed all 2003 contract work on time with no time lapses that resulted in schools or districts testing outside of the regulatory window. There were no other reported irregularities; therefore, the 10 percent withheld on each invoice during the contract year should be released to the company.

**Fiscal Analysis (as appropriate)**

None

**Attachment(s)**

None